



**Statement of Jeffery W. Johnson  
President & CEO  
Iowa State University Alumni Association  
9:00 a.m., Oct. 30, 2007  
Government Oversight Committee  
State Capitol**

The ISU Alumni Association (ISUAA) was established in 1872 to serve as an independent voice of alumni by members of ISU's first graduating class.

Today, the ISUAA continues to work within the law as an independent 501(c)(3) organization and maintains its mission to engage the talents and resources of alumni, students, and friends in the life, work, and aspiration of Iowa State University as an auxiliary organization.

One of the ways we finance our mission is through affinity partnerships such as the Bank of America credit card program. These programs also help promote the university brand and enhance engagement and networking opportunities. They further allow us to keep membership dues reasonably priced and to support student and alumni outreach and leadership programs.

The ISUAA's credit card program began 19 years ago. In 1995, the ISUAA followed an open bidding process to select MBNA (now Bank of America) as its official credit card provider.

- The primary audience for the program is Iowa State University alumni
- The program currently engages approximately 28,000 total cardholders.
- Only 284 of these total cardholders are active student credit card accounts (Approximately 1% of the total portfolio), generating less than \$3,000 in annual royalties.
- Our student cardholders carry an average balance of \$1,100.
- Each new student cardholder receives educational materials regarding the wise use of credit.
- Students typically receive one direct mail solicitation for the ISUAA credit card each semester. Graduating seniors have the opportunity to apply for a credit card on campus during the annual Grad Fair.
- Marketing done through booths at home football and basketball games is targeted toward all Iowa State fans – students are not singled out.

We understand that student debt is a national concern. We also know that the majority of students come to campus already carrying at least one credit card. When used properly, credit cards are a valuable and often necessary financial tool. The ISUAA remains a strong advocate of the smart use of credit and supports the credit education programs available through Iowa State University and through Bank of America. At the request of Iowa State University, the ISUAA is currently reviewing the terms of its contract with Bank of America regarding student marketing.